

ROLE OF MOBILE BANKING IN TRANSFORMING BANKING INDUSTRY IN INDIA: AN EMPIRICAL STUDY

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ABSTRACT

One of the fastest growing sectors is mobile communication technology that has brought the revolution of mobile banking. The users with the help of technology can now carry out banking services anywhere, for example, they can conduct banking transactions whenever they want. With the assistance of mobile banking, convenience can be achieved 24 hours in a day. It will make users have access to their mobile phones all over the day and can work from anywhere. Therefore, in order to achieve the need for mobile banking effectively, a true mode of mobile banking needs to be explored. The mobile banking is a kind of execution of financial services in which course or electronic procedure the user uses the mobile communication techniques in conjunction with mobile devices. Sample of 181 respondents was collected from respondents through a "standard questionnaire," which was created on five-point interval scale.

Keywords: Mobile banking, internet, technology, adoption intention, banking services

Introduction

For providing banking services in India, mobile banking is an emerging alternate channel. India has come up as the second largest telecom industry, which is having the potential to expand banking services with the use of mobile. In current times, by making use of information technology, banking sector is making rapid strides. In this study, an attempt has been made to examine different innovative tools that have been introduced by the banking industry among which mobile banking is one of the accepted and popular tools. The terms mobile banking and mobile phone banking are being used correspondingly. Mobile banking is utilized to provide access to the services of banks and facilitates the services that are offered by financial institutes like account- savings, making transactions, payments, as well as various services by making use of smart mobile phone. Mobile banking has brought numerous

influences on the number of solutions available to clients.

With the up-gradation of technology and increased usage of mobile phones and other devices, the usage of mobile banking usefulness would make users be connected to whole customer life cycle more comprehensively as compared to before. With this scenario, present objectives of mobile banking of saying development of relationships, cost reduction, achievement of new revenue streams will change into new objectives like targeting high level of goals like brand building of banking industry. As displayed, mobile banking has now gained an unavoidable importance in the banking industry. Development in the banking sectors, like increased competition of technologies coupled with the process of globalization has produced new challenges for banks (Kumar & Kalva, 2014). Due to the changes in technology, scenario of the banking sector is changing rapidly. Customers are excited to adopt the technology changes in their everyday lives in order to

save their time as well as money. Such change is evident due to numerous electronic channels such as ATM, telebanking, internet banking, mobile banking, etc. Scenario of banking industry has changed a lot after the invention mobile banking and internet banking. Customers have already started adopting and making use of mobile banking through their smart mobile phones. The analyses done by author states that most of the consumers are very much aware and have understanding of mobile banking services that are being provided by the banks. Majority of the customers have started making use of such technology, but people who are above the age of 60-65 are still not trusting the technology and are still following the traditional banking services instead of using the mobile banking applications. Such age group customers are untapped until now; they really need this type of services. Mobile banking services must be easy and understandable for everyone and it will help attracting the untapped group of people as well as the uneducated group of people as well and will make them adopt the technology and take its advantages. Advertisement is the best option that will make customers aware about the technology and make them understand its benefits. One they get aware about it, they will automatically get attracted to adopt the service. Young and middle age group of customers have already adopted and using the mobile banking services, but the old age group people are still hesitating to adopt it and have some kind of fear in their mind. Banks must take extra efforts to make their customers understand the new technology of mobile banking and provide them with information about the usefulness of the mobile banking system. Mobile banking is also cost effective and saves time. Mobile banking helps customer to be connected with the bank through just one click (**Pathak & Mishra, 2019**).

Literature Review

Kumar et al. (2020) revealed that mobile banking in present time has become an important and evolving instrument to execute banking related transactions. In a developing country like India, mobile banking has a huge potential. Indian government is also taking extra efforts and measure in motivating customers to adopt the technology and encouraging them for cashless payment system and branchless banking, which would improve banking system's efficiency. Complexities of lives, busy lifestyle have given growth to system of mobile banking. Banks along

with other mediators are being engaged in the online banking system and have started seeing the interest of the customers in mobile banking and reaching their customers to provide them the safest and healthy mobile banking services.

Burra (2021) concluded that the future of banking industry is smart mobile phones, but still not most of the customers have realized this truth. Mobile banking has provided banks with the capability to maintain their technologically advanced client base and delivering them the creative and value added services. Mobile banking has been shown as one of the biggest technological advancement in modern years and it has transformed the banking industry and their way of handling the banking process. Various steps are taken by Indian government to promote cashless payment system as well as non-trading banking services.

Agarwal, Poddar, and Karnavat (2020) stated that the Indian banking industry has fully revolutionized after the introduction of mobile banking system. Mobile banking was previously introduced with limited operations, after some time, it has introduced advance version in the field of information as well as technology. Mobile banking has now emerged as a new formal in the banking industry. Mobile banking has been proved successful in fulfilling customer's requirements with very less limitations and has achieved customer's satisfaction. Positive elements of mobile banking such as ease of accessibility, convenient, security are proved as building block for the promotion of mobile banking system in India.

Babulal (2019) explained that the digitization has emerged in Indian banking system and making it more and more digital and after that so many transformations have taken place in the Indian banking system. Indian Banking system has a powerful base as well as large structure and making use of it can be possible to bring full digitization of the banking industry. Due to the mobility of mobile banking, it can be used anywhere and anytime. Because of the digital system of making transactions and payments, mobile banking is becoming very famous in India. Still many account holders are still unaware about mobile banking usage, do not have understanding about its benefits and ignoring its adoption. Many customers in India still feel and think that traditional banking is safe and easy to handle. At present young and professional customers have adopted the system of mobile banking are using it for their benefit.

Kumar, Sreekanth, and Naidu (2016) stated that mobile banking is an electronic system that gives their customer all the basic services available in daily traditional banking system, but for using mobile communication system, a smart mobile phone is required. Through the technology of mobile, banks can provide each and every information related to the account of the customer, every time they make any transaction. In this way customer have every information related to their account and if any transaction is made in or from their account. Through mobile banking customer can check details of the withdrawals and deposits.

Sharma and Kaur (2016) concluded that banking industry is transforming worldwide through mobile technology by providing convenient banking services to their customers along with offering them new and attractive services related to banking. For the transaction and payment settlement, mobile banking is growing rapidly in the financial sector. To make mobile banking reach high-end to low-end customers, government, telecom service provider and other stakeholders are taking extra efforts.

Chandran (2014) revealed that customers of financial institutions are allowed by mobile banking to carry out number of financial transactions from their smart mobile devices. Mobile banking application allows their customers to make bill payments, cash deposits, account management, etc. but there is little risk of identity theft and that is its major downside. Mobile banking is a provision of banking and other financial services with the assistance of mobile telecommunication devices.

Balakrishnan and Sudha (2016) explained that after the arrival of modern technology, the Indian banking industry has transformed from traditional model of banking of queuing up customers to the adoption of mobile banking system with the assistance of internet access and avail banking services provided by the bank. Indian banking system has seen tremendous

growth all across the world after the adoption of mobile banking services by their customers.

Deshwal (2015) revealed that everybody knows the potential of smart mobile phones and its capability of conducting financial transactions that ultimately leads to financial growth along with providing so many benefits to customers. For better results and inclusive growth, the customers must understand the advantages of mobile banking, and banks should provide all such information to people living in remote areas and are unaware about it.

Bamoriya and Singh (2012) stated that mobile banking services are considered as a new era in the banking industry; here banks are spending lot of money and taking efforts in advertising mobile banking system to their customers, as it will ultimately cut their operation cost. Still many customers are not using mobile banking system and are following and preferring traditional banking system.

Objectives

1. To identify the level of adoption with reference to mobile banking among customers.

Methodology

Present study is empirical in nature. A structured questionnaire was used to validate the hypothesis. A sample of 191 respondents has been considered. The sampling method was convenience sampling. Chi Square tests were applied in the study.

Findings of Study

Table 1 shows a number of respondents based on their gender, male were 58.64% and Female were 41.36%. With reference to Age, 18 to 25 years are 36.12%; 25 to 30 years are 26.70%, and 30 years & above are 37.18%. Looking at the Occupation, Businessman are 40.31%, Service class are 27.75%, and others are 31.94%. Regarding the Educational level of the respondents, Graduates are 24.61%, Post-graduates are 42.41%, and Professional are 32.98%.

Table1 Basic details of the respondent

Variables	Number of respondent	%age
Gender		
Male	112	58.64%
Female	79	41.36%
Total	191	100%
Age		
18 to 25 years	69	36.12%
25 to 30 years	51	26.70%
30 years & above	71	37.18%
Total	191	100%
Occupation		
Businessman	77	40.31%
Service class	53	27.75%
Others	61	31.94%
Total	191	100%
Education		
Graduates	47	24.61%
Post-graduates	81	42.41%
Professional	63	32.98%
Total	191	100%

Table 2 Chi Square Test to know the Adoption level of customers with reference to mobile banking

Education	Adoption level			Total
	Low	Moderate	High	
Graduates	21	17	9	47
Post-Graduates	19	33	29	81
Professional	12	20	31	63
Total	52	70	69	191
Value of Chi-square				14.752
Degree of freedom				4
p value				0.005244

Null Hypothesis: There is no significant impact of Education on adoption level of customers with reference to Mobile Banking.
Alternate Hypothesis: There is a significant impact of Education on adoption level of customers with reference to Mobile Banking.
 Alternate hypothesis is accepted as it shows that there is significant impact of Education on adoption level of customers with reference to Mobile Banking.

Conclusion

Introduction of Information technology in Indian banking industry has resulted in big transformation and have enhanced the efficiency of banking industry. Mobile banking system can be availed with the access to internet, wherein customer can avail all the available services provided by the banks from anywhere and at any time. Mobile banking save time for carrying out any transaction and it is also cost effective for the banks as it saves the operation costs. The banks and other financial institutions provide mobile banking facility to their customers that can be availed using smart mobile phones. Now customers without standing in long queues in banks can avail the services sitting bank at home. Majority of customers have already adopted the mobile banking system, but the customers who are still hesitating to adopt the facility must be reached by the banks to motivate them for the adoption of mobile banking. Chi-square test was applied to find the result of the study, there is a significant impact of Education on the adoption level of customers regarding mobile banking.

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